



AUSTRALIAN HOTELS ASSOCIATION

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Mr Scott Gregson
General Manager
Adjudication
ACCC
PO Box 1199
DICKSON ACT 2602

13 March, 2007

Dear Mr Gregson,

Sky Channel P/L, Tab Corp Holdings Ltd, ThoroughVision P/L-
Applications for authorisation A91031 and A91032.

Thank you for your letter of 20 February 2007 seeking comments from the Australian Hotels Association in relation to the above two applications for authorisation.

The following comments are made on behalf of all the AHA Divisions.

When a similar arrangement to that in the two applications was submitted to the ACCC for informal review some months ago the AHA opposed the arrangements. It did so as it was concerned about the monopoly created by the arrangements. This is based on the long history of issues between the AHA and Sky Channel and the fact that in NSW TabCorp has a legislative monopoly in relation to wagering. These issues are demonstrated in the authorisations granted by the ACCC for collective bargaining between the various AHA Divisions and the parties to the current applications.

At the time of the informal ACCC review the AHA said that the arrangements should proceed down the authorisation track. That would allow proper public scrutiny. It would allow public benefit issues to be assessed and the ACCC could impose conditions.

As indicated the AHA has long had issues with Sky and others. Essentially the AHA has long been concerned about the monopoly power exercised by the parties.

The AHA has now reached a settlement with the parties in relation to the long running dispute about the terms and conditions of supply of broadcasting services. The AHA is satisfied with the outcome and shows what can be done with good will and collective negotiation.

The AHA is still concerned about the increased monopoly power the arrangements will give the parties in relation to race broadcasting. However the AHA does see a major public benefit in the single screen.

Further the AHA expects that TVN will expand its services and hence hotels and clubs will get better services under the new arrangements. In that regard the AHA ask that the ACCC impose a condition the Sky /TabCorp take all steps to encourage TVN to expand its services and in no way inhibit or hinder such expansion.

The AHA does not oppose the application but would suggest that in order to avoid future misuse of monopoly power the ACCC impose a condition along the following lines,

“should there be a dispute between the parties and the hotels that the collective bargaining arrangements (contained in authorisations granted the AHA by the ACCC) be utilised and failing that any dispute be put to arbitration. The Arbitrator to be mutually agreed.

I trust that the above is of assistance and we would be pleased to discuss what is in this letter.

We understand that this letter will be placed on the ACCC Public Register.

Yours sincerely,

Bill Healey